

## Message Text

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PAGE 01 STATE 048894  
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 L-03 SS-15 SP-02 H-01 OES-06  
/048 R

DRAFTED BY EB/TCA/MA:REJOHE:EST  
APPROVED BY EB/TCA/MA:RKBANK  
-----042343Z 031204 /61  
P 042217Z MAR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY LONDON PRIORITY

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STADIS/////////  
PASS DEPUTY ASSISTANT SECRETARY BILLER

E.O. 11652: N/A

TAGS: EWWT

SUBJECT:STATUS OF H.R.1037 -- CARGO PREFERENCE LEGISLATION

1. INITIAL HEARINGS HELD BEFORE MURPHY SUBCOMMITTEE  
MARCH 1-2. NATIONAL MARITIME UNION (PRO), TRANSPORTATION  
INSTITUTE (PRO), AMERICAN MARITIME ASSOCIATION (PRO), AND  
AMERICAN PETROLEUM INSTITUTE (ANTI) TESTIFIED. DURING THE  
COURSE OF THE HEARINGS IT WAS EVIDENT THAT NO COMMITTEE  
MEMBER OUTWARDLY APPROVED CARGO PREFERENCE. IN FACT, THE  
COMMITTEE WAS BOTH ACERBIC AND HOSTILE TO API. ALTHOUGH  
THE ADMINISTRATION HAS NOT YET FORMULATED A POSITION (WILL  
ADVISE WHEN RECEIVED), DEPARTMENT AND OTHER AGENCIES ARE  
STILL SCHEDULED TO TESTIFY ON MARCH 15. COMMERCE AND  
POSSIBLY LABOR ONLY MAJOR AGENCIES SUPPORTING H.R.1037.  
UNDERSTAND THAT MARAD GAVE STRONG SUPPORT, BUT THAT THE  
FINAL COMMERCE POSITION WAS RATHER SOFT.

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2. MURPHY'S OPENING STATEMENT ON MARCH 1 CRITICIZED PAST  
ADMINISTRATION'S POSITION ON OIL CARGO PREFERENCE. IN  
REFERRING SPECIFICALLY TO STATE, HE CRITICIZED US FOR USING  
AGE-OLD ARGUMENTS DESPITE WORLD CHANGES AND THAT OUR FREE-  
TRADE ARGUMENTS ARE NOT APPLICABLE TODAY WHERE PROTECTIONISM  
VIA PREFERENCE MEASURES ARE PROLIFERATING AMONG OTHER

NATIONS. HE MADE VERY INACCURATE REFERENCES TO LAWS ABROAD.  
IN CLOSING, MURPHY STATED QUOTE THE ENACTMENT OF A CARGO  
EQUITY PRINCIPLE IS ESSENTIAL, AND I AM DEDICATED TO THAT  
OBJECTIVE END QUOTE. KATZ MEETING TODAY WITH COTTON CLUB  
AMBASSADORS WHO ARE PROTESTING THE LEGISLATION.

3. SENATOR MAGNUSON'S COMMERCE COMMITTEE HAS INVITED STATE  
TO TESTIFY ON S.568, S.682, AND S.182 ON MARCH 10.  
LEGISLATION IS POLLUTION-ORIENTED BUT FORMER TWO  
BILLS DO INCLUDE H.R.1037 LANGUAGE. MA ATTEMPTING TO HAVE  
OES HANDLE THIS TESTIMONY AND WILL LEND INPUT ON CARGO  
PREFERENCE IF ADMINISTRATION POSITION AVAILABLE. FYI.  
POSSIBILITY EXISTS THAT THIS OES-LEAD TESTIMONY COULD BE  
DELAYED UNTIL MARCH 16, 17, IF ADMINISTRATION ANNOUNCES  
DECISION ON POLLUTION/SAFETY TASK FORCE STUDY BY MARCH 10.  
THIS WOULD GIVE THE ADMINISTRATION A 5-6 DAY EXTENSION IN  
WORKING ON TESTIMONY FOR THESE THREE BILLS. END FYI.  
CHRISTOPHE

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CARGO, TRANSPORTATION, US CONGRESSIONAL HEARINGS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 04-Mar-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE048894  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** REJOHE:EST  
**Enclosure:** n/a  
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**Errors:** N/A  
**Expiration:**  
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**Message ID:** 4da7adbd-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** STADIS  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
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**TAGS:** EWWT  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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